

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

W. T. GRANT COMPANY



1959

annual
report



BOARDS
659127
6702

801 W. T. GRANT STORES IN 41 STATES



THE W. T. GRANT COMPANY — a brief description

Starting with one store at Lynn, Mass. in 1906, the Company, on January 31, 1960, operated 801 general merchandise stores in 41 states.

The stores are family type stores, selling merchandise lines for women, for men, for children, and for the home. Prices generally range up to \$5., but with some items ranging in prices up to and even above \$100.

While most sales are for cash, credit service, including the charge account type, is available in all stores.

In 1959, total Company sales were \$480,000,000, or an average of \$600,000 per store.

The 1959 sales registered a new all-time high for a year. Except for 1932, 1938, and 1949, the Company has had a sales increase every year in its 53 year history.

The 1959 net earnings were also at a record high and continued the Company's consecutive years of operating at a profit and of paying dividends in every year of its history.

One historical characteristic of the Company is that it has a lower profit margin than many other

retailers. This is accounted for by the preponderance of lower profit margin textile lines built into its merchandise mix. Its success depends on producing more dollars of profit on a growing level of sales at its own historical profit margins.

The Company is maintaining a steady program of expansion. In recent years, the program has been directed mostly to leased shopping center stores that offer retailing opportunities in the suburbs. At the last year end, 340 of its 801 stores were in shopping centers.

The Company employs 35,000 people on a year round basis, with a peak of approximately 47,000 in December.

Its outstanding 150,000 shares of 3¾% preferred stock are held by 740 stockholders, and its 2,843,993 shares of common stock are held by 11,634 stockholders.

In addition to its domestic operations, the Company owns 51% of the common stock of Zeller's Ltd., a Canadian chain operating 69 stores similar to Grant stores, with 1959 sales of \$53,340,000 and net earnings of \$2,000,000. Zeller's Ltd. also has a steady expansion program under way.



*We are pleased to send you a copy
of our Annual Report for the
year ended January 31, 1960.
No acknowledgement is necessary.*

W. T. GRANT COMPANY

Founded in 1906 at Lynn, Mass.

Executive and Buying Offices . . . 1441 Broadway, New York 18, N. Y.

Directors

WILLIAM T. GRANT
Chairman

EDWARD STALEY
Vice Chairman

JOHN G. BYLER

JOSEPH W. CHINN

HOWLAND S. DAVIS

RAYMOND H. FOGLER

JOHN D. GRAY

THOMAS P. JERMAN

ALBERT E. KELLY

M. F. KETZ

PETER KILBURN

J. LUTHER KNIES

LOUIS C. LUSTENBERGER

CLARENCE J. MYERS

DR. CHARLES F. PHILLIPS

Officers

WILLIAM T. GRANT
Chairman of the Board

EDWARD STALEY
Vice Chairman of the Board

LOUIS C. LUSTENBERGER
President

J. LUTHER KNIES
Merchandise Vice President

M. F. KETZ
Vice President and Comptroller

WARREN G. FINNAN
Vice President and Treasurer

R. W. ROSEVEAR
Store Expansion Vice President

HOWARD E. EADES
Personnel Vice President

HERBERT T. WILKINSON
Store Management Vice President

GORDON ANDERSON
New England Regional Vice President

ROBERT W. IVES
Central Regional Vice President

JOSEPH A. LIVOLSI
Eastern Regional Vice President

CHARLES W. RIVOIRE
Secretary

ROBERT J. KELLY
Assistant Secretary

RICHARD W. MAYER
Assistant Treasurer

ROSALIE A. MULFORD
Assistant Treasurer

Transfer Agent: MORGAN GUARANTY TRUST COMPANY OF NEW YORK

Registrar: BANKERS TRUST COMPANY, NEW YORK, N. Y.

Contents

The Highlights 1959 and 1958	2	Statement of Financial Position	14-15
Letter to Stockholders	3-4	Notes to Financial Statements and Auditors' Report	16
Financial Comments	5	Historical Record 1907-1959	17
Merchandising and Sales Developments	6	5 Year Statement of Operation	18
Personnel	7	5 Year Statement of Financial Position	19
Store Expansion	8	5 Year Source and Disposition of Funds	20
List of New 1959 Stores	9	Merchandise Lines in Grant Stores	<i>inside back cover</i>
1959 — and 10 Years Ago and the "New" W. T. Grant Company	10-11		
Zeller's Limited	12		
Statement of Operations	13		

THE HIGHLIGHTS

Year ended January 31,

	1960	1959
Sales	\$479,997,477	\$432,240,571
Pre-tax earnings	\$ 25,432,940	\$ 20,165,253
Provision for Federal income taxes	\$ 13,175,000	\$ 10,315,000
Net earnings	\$ 12,257,940	\$ 9,850,253
Per common share	\$4.11	\$3.71
Dividends paid per preferred share	\$3.75	\$3.75
Dividends paid per common share	\$2.20	\$2.00
Total dividends paid	\$ 6,623,670	\$ 5,553,315
Earnings retained in the business	\$ 5,634,270	\$ 4,296,938
Depreciation and amortization	\$ 5,915,020	\$ 5,672,178
Merchandise inventories	\$ 86,089,840	\$ 75,780,905
Working capital	\$ 82,907,468	\$ 64,036,558
Fixed assets	\$ 39,239,124	\$ 37,710,161
Expansion program—fixed assets	\$ 7,470,000	\$ 5,736,000
Employee compensation and benefits	\$ 92,612,052	\$ 82,822,176
Cents per sales dollar	19.3¢	19.2¢
Book value common stock—per share	\$41.40	\$38.92
Common shares outstanding—year end	2,843,993	2,503,523
Number of preferred stockholders	740	718
Number of common stockholders	11,634	7,742
Number of stores at year end	801	739

W. T. GRANT COMPANY

1441 Broadway, New York 18, N. Y.

To the Stockholders:

This is our fifty-third annual report. It covers the fiscal year ended January 31, 1960, for which we are pleased to report all-time highs in sales, earnings, and dividends.

SALES

The new record high sales totalled \$479,997,477 for the year, which was \$47,756,906, or 11% over 1958. The amount of this increase was the highest for any one year in our 53 year history. The Company's annual sales have increased in every year of its history, except 1932, 1938, and 1949.

December 1959 sales reached a new all-time high. They totalled \$87,894,876 which was an increase of \$6,413,599 over December 1958.

Credit sales, which have increased over the previous year in every year since we first adopted credit in 1946, totalled \$45,066,166 in 1959, or an increase of 13.8% over 1958.

Shopping center stores continued to contribute an increasing portion of the Company's sales, 39% in 1959, compared to 32% in 1958.

We are confident that, for 1960, sales for the first time in our history, will exceed the half-billion mark.

EARNINGS

Net earnings for 1959 totalled \$12,257,940 which, after preferred dividends, was equal to \$4.11 per share on 2,843,993 shares of common stock outstanding at the year end.

For 1958, net earnings were \$9,850,253 or \$3.71 per share on 2,503,523 shares of common stock at the year end.

The earnings per common share of \$4.11 in 1959

exceeded the \$3.71 per share in 1958 even though 340,470 more shares were outstanding at the end of 1959 than at the end of 1958. The increase in shares is principally accounted for by the 320,000 shares of common stock sold to the public in April 1959, and by shares of stock issued under the Employees Stock Purchase Plan during the year.

The 1959 net earnings are a new all-time high, exceeding the previous high registered in the post war year of 1946 when net earnings were \$10,877,577.

The year's net earnings include improved earnings over 1958 in identical stores, and also a substantial portion of earnings contributed by the group of new, relocated, and enlarged stores opened in 1958 and 1959.

TAXES

For 1959, federal, state, and local taxes, including the provision for federal income taxes, were \$22,968,355 or \$8.08 per share of common stock. This compares with \$18,921,384 or \$7.56 per share in 1958.

In addition, the Company collected a variety of taxes for federal, state, and local governments, which in 1959 totalled \$24,604,493 compared to \$20,990,650 in 1958.

DIVIDENDS AND RETAINED EARNINGS

During 1959, the Company paid regular dividends of \$3.75 per share on the preferred stock and regular dividends of \$2.20 per share on the common stock. In 1958, the same amount was paid on the preferred stock, and \$2.00 per share was paid on the common stock.

After preferred dividends of \$562,506 and common dividends of \$6,061,164, the portion of net earn-

ings retained for use in the business totalled \$5,634,270 for 1959, compared to \$4,296,938 in 1958.

At its February 23, 1960 meeting, the Board of Directors increased the regular quarterly dividend on the common stock, payable April 1, 1960, to 60 cents per share. On an annual basis, this will be \$2.40 per share. This is the fourth increase since 1954 when the common stock dividend was at the annual rate of \$1.50 per share. The new annual rate represents an increase of 60% over 1954.

If the stockholders, at their meeting on April 26, 1960, approve the 2 for 1 split in the Company's common stock, recommended by the Board of Directors, the new annual dividend rate on the increased number of common shares will be \$1.20 per share.

The Company has earned a profit and has paid dividends on its common stock in every year since its founding in 1906.

■ ■ ■
This report includes more detailed comments by Company officers on the operations of the business during 1959. Also, there appear in the report comments by the President of Zeller's Limited. The Company owns 51% of the common stock of Zeller's.

■ ■ ■
We are grateful to our customers, employees, and suppliers for the record results of 1959.

We also wish to take this opportunity to welcome our many new common stockholders.

In 1960, we expect shopping center stores to continue to contribute increasing portions of the Company's sales and earnings. We anticipate another good year for the Company, along with the continuation of our steady program of expansion.

Chairman of the Board

Vice Chairman of the Board

President

April 1, 1960



FINANCIAL COMMENTS

Financial Position

The statement of financial position in this report reveals that the Company remains in excellent financial position. There were no bank loans or long-term debt at the year end.

Working Capital

At the year end, working capital totalled \$82,907,468, an increase of \$18,870,910 over \$64,036,558 at the end of 1958.

The increase includes funds received from the sale of 320,000 shares of common stock to the public in April 1959.

Merchandise Inventories

Merchandise inventories in stores, warehouses, and in transit totalled \$86,089,840 at the year end, or \$10,308,935 above a year ago.

The increase is principally accounted for by new and enlarged stores.

Inventories are in good balance with anticipated sales.

Financing

In April 1959, the Company sold to the public, through underwriters, 320,000 shares of common stock at \$46 per share.

This financing principally accounts for the increase in 1959 of 3,892 common stockholders. There were 11,634 common stockholders at the year end.

Net proceeds totalled \$14,041,770, which provided the Company with added working capital required by its growth.

There are no present plans for new financing.

Common Stockholders' Equity

Common stockholders' equity increased \$20,475,453 during the year. In addition to 1959 retained earnings of \$5,634,270, the increase includes the net proceeds of \$14,041,770 from the sale of common stock to the public in April 1959, and \$799,413 from the sale of shares of common stock, that were issued during 1959, under the Employees Stock Purchase Plan.

Book value per share of common stock at the year end was \$41.40 compared to \$38.92 at the end of 1958.

Credit

Credit sales totalled \$45,066,166 in 1959. This is a new record high and reflects an increase of 13.8% over 1958. An increase in credit sales has been achieved in every year since credit selling was first established in 1946.

At the year end, the Company had approximately 535,000 credit accounts, which indicates the popularity and potential of credit operations, including the charge account type added in all stores during the year.

Installment receivables from customers totalled \$26,738,654 at the year end, of which \$24,405,368 had

been sold to banks. At the end of 1958, the receivables were \$22,938,249, of which \$21,825,925 had been sold.

Employees' Stock Purchase Plan

The plan now in effect was originally approved by the stockholders in 1950. It will expire on May 1, 1960. A new similar plan will be presented to stockholders at the April 26, 1960 stockholders' meeting.

Of the 293,935 shares of unissued stock authorized for offers to eligible employees, since May 1, 1950 through 1959, 157,385 have been fully paid for and issued; 120,820 are under contract with unpaid balances totalling \$4,032,583 at the year end; 13,390 shares have been offered but not yet contracted for; and 2,340 shares remain available for offerings in 1960.

Both the existing and proposed plans are stock purchase plans whereby shares are offered at approximate market prices.

Offers have been made to executives, managers, buyers, supervisors and other employees whose annual earnings exceeded \$4,200 and who generally have had 10 or more years of service with the Company. During the life of the present plan, approximately 1,500 employees were participants.

Through 1959, the Company received \$4,782,921 for the 157,385 fully paid-up shares. This has been a steady source of working capital and expansion funds. We believe that it has provided incentive for the employees to promote the best interests of the Company and its stockholders.

The Employees' Retirement Plan

The plan was approved by stockholders in 1942 and has been in effect since July 1, 1942.

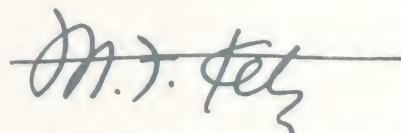
At June 30, 1959, the plan had the following assets held and managed by an independent trustee:

Cash	\$ 207,436
Investments —	
principally at cost:	
Bonds and notes	19,488,924
Preferred stocks	2,504,472
Common stocks	12,464,264
Total investments	\$34,457,660
Sundry receivables	324,408
Total assets	<u>\$34,989,504</u>

The approximate aggregate market amount of the investments was \$38,913,575 at June 30, 1959.

Up to June 30, 1959, the plan had received accumulated Company contributions of approximately \$21,000,000 and members' contributions remaining in the plan of approximately \$7,000,000. Aggregate total benefits paid were approximately \$3,600,000.

At June 30, 1959, there were 10,587 members, and 511 retired employees were receiving monthly retirement benefits.


Vice President and Comptroller

MERCHANDISING AND SALES PROMOTION DEVELOPMENTS

A Year of Progress

The quality and assortments of merchandise in Grant stores were further strengthened in 1959. Today, more than ever, we are able to supply virtually all of the everyday needs of most American families in non-food lines.

Some of our most gratifying successes stemmed from the merchandising and promotion of new and better-quality items. Substantial gains were realized in such classifications as watches, aluminum ladders, men's dress slacks, jackets for the family, transistor radios, deluxe barbecue grills, special-purpose fans, outdoor furniture, stereophonic phonographs, outdoor play equipment, easy chairs and divans, wide window draperies and curtains, self-propelled lawn mowers and boys' clothing.

IMPROVED MERCHANDISE PRESENTATION

Our continuous program of improving merchandising presentation bore particular fruit in 1959. Reflecting Grants never-ending drive to increase sales per square foot, we introduced a handsome new counter design in all new stores. New improved merchandise layouts, which will appear in more stores as they are tested, were developed in our Display Studios. We have become a retail leader in packaging and informative labelling of merchandise for modern selling.

NATIONAL SALES PROGRAM

Spearheading Grants sales promotion each week is our "National Sales Program". Last Spring this was streamlined with most gratifying results. We will continue to highlight "5-Star Specials" which should

attract greater numbers to Grants family and home stores. We will also retain the theme — "Want More for your Money . . . Keep your Eye on Grants"— in our advertising and displays. This program and theme were particularly effective in markets served by more than one Grant store, in which group advertising could be utilized to expand the scope and impact of Grant publicity.

ADVERTISING

Grants maintains a steady program of store advertising. Annually, over 40,000,000 lines of advertising are placed in local newspapers, which makes Grants one of the nation's leading retail advertisers. In addition, we used circulars, package stuffers, direct mail, radio, television, and participated in many shopping center promotions. While directed from the home office, the program has been developed so that it provides the flexibility whereby the best and most productive local campaigns are planned and used by the individual stores.

MORE PROGRESS AHEAD

As we enter the decade of the 1960's, we are engaged in further preparations to capitalize on America's population surge and contribute to its rising standards of living. Our photography and sporting goods departments are being expanded, as are our teen-age and horticulture shops. New buying personnel are being added and our buying staff is being re-organized to undertake a greatly intensified and enlarged program of merchandising. We are prepared to upgrade and refine Grants assortments of merchandise at a pace which is in tune with the demands of American families.


Merchandise Vice President

PERSONNEL

Policy

Personnel policies and practices continue to be based on the concept that the employment, training, and development of responsible people, at all levels, is good business. We believe capable employees are the Company's greatest asset.

EMPLOYEES and COMPENSATION

At the end of 1959, the Company had 32,000 employees, compared with 30,300 at the end of 1958. For 1959, salaries and wages, retirement plan contributions, social security taxes, and other employee benefits paid by the Company totalled \$92,612,052, or 19.3% of sales. This compares with \$82,822,176, or 19.2% of sales in 1958. Included in these costs were \$1,071,108 for 1959 and \$1,007,645 for 1958 contributed by the Company to the retirement plan; and \$3,493,625 for 1959 and \$2,712,403 for 1958 of social security taxes paid on payrolls for the future benefit of employees.

OPPORTUNITIES and MANPOWER

Our steady program of store expansion requires that we have a sufficient number of trainees to fill future management needs and, at the same time, provides opportunities for the rapid advancement of capable individuals. Accordingly, at the year end, there were 868 management trainees. The store expansion program also made it possible to promote 121 assistant managers to store managers in 1959, compared to 118 in 1958. In addition, 241 store managers were rewarded with promotions to more important managerial or supervisory positions, compared to 213 in 1958. Currently, 48 women are store managers.

During the year, improved selection and testing methods have been developed and adopted for our store management trainee hiring program.

Recently, each of our existing five regional offices has been strengthened by the addition of an inventory control manager. In addition to this, added stores have made it necessary to appoint 6 new district managers, each of whom is responsible for the profitable operations of approximately 25 stores.

BENEFITS

To retain experienced people, especially with the steady store expansion program, retirement policy has been changed to permit extension of service beyond the normal retirement age of 60 up to the age of 65, on a year to year basis. In each case, Company approval is required and will be granted on a selective basis.

Beginning in 1960, the contributory Group Life Insurance Plan is being offered to employees with an added paid-up insurance feature that will provide for carry-over of a portion of the protection after retirement.

ORGANIZATION

At its August 25, 1959 meeting, the Board of Directors elected Louis C. Lustenberger, formerly Executive Vice President and General Manager, to the office of President. Edward Staley, formerly Vice Chairman of the Board and the President, continues as Vice Chairman of the Board and the chief executive officer of the Company.

At the February 23, 1960 meeting, William R. Carr, Southern Region Manager, was elected a Vice President.

On November 24, 1959, the Board elected Miss Rosalie A. Mulford as Assistant Treasurer.

On December 1, 1959, George W. Middleton, Assistant Comptroller, retired under the Employees' Retirement Plan.

■ ■ ■

Clayton E. Freeman, former President of the Company and a Director since 1919, died on August 31, 1959. He had been associated with the Company since 1910, and gave it 50 years of devoted service.

■ ■ ■

Albert E. Kelly, Financial Advisor to Mr. W. T. Grant, was elected a Director, replacing Mr. Freeman.



Personnel Vice President

STORE EXPANSION PROGRAM

In 1959, the Company continued its steady program of expansion. Of the 85 new stores opened during the year, 81 were in shopping centers. In 1958, the Company opened 64 new stores, all in shopping centers. The 1959 program also included 9 stores that were enlarged or relocated and a number of stores where air conditioning, improved lighting, and equipment rehabilitation were completed.

At the year end, 801 stores, including 340 in shopping centers, were in operation, compared to 739, including 259 in shopping centers, a year ago. The net increase of 62 stores is accounted for by the 85

new stores less 23 downtown stores that were permanently closed because leases expired and the stores had small profit potential.

The 1959 capital expenditures, principally for store fixtures, totalled \$7,470,000, compared to \$5,736,000 in 1958.


Presently, we estimate that the 1960 store expansion program will at least equal that of 1959. At the year end, construction had started at 57 locations where we expect to open new stores during 1960.

The following table summarizes the Company's store expansion program of the decade just ended:

TEN YEAR HISTORY OF THE COMPANY'S STORE EXPANSION PROGRAM

	<i>Number New Stores Opened</i>		<i>Number Stores Relocated or Enlarged</i>	<i>Net Grant Capital Program . . . Fixed Asset Expenditures</i>
	<i>Shopping Centers</i>	<i>Downtown Locations</i>		
1959	81	4	9	\$ 7,470,000
1958	64	—	15	5,736,000
1957	65	2	19	6,478,000
1956	64	7	24	8,461,000
1955	34	27	18	7,100,000
1954	6	14	31	6,300,000
1953	7	7	41	7,200,000
1952	6	8	26	6,350,000
1951	4	4	22	6,514,000
1950	1	1	18	3,100,000
10 yr. Totals	332	74	223	\$64,709,000

We intend to continue our successful expansion program of opening new stores mostly in shopping centers.



Store Expansion Vice President

1959 . . . NEW W. T. GRANT STORES

During the year, 85 new stores were opened, 81 in shopping centers and 4 in downtown locations:

AKRON, OHIO <i>Lakemore</i>	DOVER, OHIO <i>Miracle Lane</i>	KOKOMO, IND. <i>Maple Crest</i>	OWENSBORO, KY. <i>Gabe's Center</i>
ALBANY, GA. <i>Midtown</i>	DOYLESTOWN, PA. <i>Shopping Center</i>	LAKE CHARLES, LA. <i>Greinwich Terrace</i>	PERRY, N. Y. <i>Downtown</i>
ALBANY, N. Y. <i>Stuyvesant</i>	DUNKIRK, N. Y. <i>Fredonia Thruway</i>	LANSING, MICH. <i>West Saginaw Plaza</i>	PHOENIX, ARIZ. <i>West Plaza</i>
ALLENTOWN, PA. <i>Parkway</i>	DURHAM, N. C. <i>Wellons Village</i>	LARGO, FLA. <i>Midway</i>	PITTSBURGH, PA. <i>Perrone</i>
ALLIANCE, OHIO <i>College Plaza</i>	EDISON, N. J. <i>Kilmer Plaza</i>	LEXINGTON, KY. <i>Eastland</i>	PITTSBURGH, PA. <i>Southland</i>
ALTOONA, PA. <i>Pleasant Valley</i>	EL PASO, TEX. <i>Fox Plaza</i>	LITTLE ROCK, ARK. <i>Village</i>	PLATTSBURGH, N. Y. <i>North Country</i>
ATLANTA, GA. <i>Moreland</i>	ELKHART, IND. <i>Pierre Moran</i>	LOGANSPORT, IND. <i>Eastgate</i>	POMPANO BEACH, FLA. <i>Shoppers' Haven</i>
ATLANTA, GA. <i>Stewart-Lakewood</i>	FAIRBORN, OHIO <i>Plaza</i>	LONG BEACH, CALIF. <i>Marina</i>	PORTLAND, ME. <i>Pine Tree</i>
BABYLON, N. Y. <i>Deer-Shore</i>	FLEMINGTON, N. J. <i>Hunterdon</i>	LOUISVILLE, KY. <i>Gardiner Lane</i>	QUAKERTOWN, PA. <i>Shopping Center</i>
BELLE GLADE, FLA. <i>Downtown</i>	GARDEN GROVE, CALIF. <i>Harbor Plaza</i>	MALONE, N. Y. <i>Seaway</i>	QUINCY, ILL. <i>Legion Miracle</i>
CANTON, OHIO <i>Myers Lake</i>	GARDEN GROVE, CALIF. <i>Orange Plaza</i>	MANITOWOC, WIS. <i>Park Plaza</i>	SACRAMENTO, CALIF. <i>Camellia Capital</i>
CAYCE, S. C. <i>Parkland</i>	GARDENA, CALIF. <i>Rosecrans Plaza</i>	MEDINA, OHIO <i>Plaza</i>	ST. PETERSBURG, FLA. <i>Northeast Park</i>
CHARLESTON, S. C. <i>St. Andrews</i>	GLENDALE, CALIF. <i>Shopping Center</i>	MELBOURNE, FLA. <i>Shopping Center</i>	SAN PEDRO, CALIF. <i>Harbor Heights</i>
CLIFTON, N. J. <i>Clifton Plaza</i>	GREENSBORO, N. C. <i>Northeast</i>	MIAMI, FLA. <i>Westchester Plaza</i>	SPRINGFIELD, MASS. <i>Springfield Plaza</i>
COCOA, FLA. <i>Byrd Plaza</i>	HIGH POINT, N. C. <i>College Village</i>	MOBILE, ALA. <i>Springdale Plaza</i>	UTICA, N. Y. <i>North Utica</i>
COLONIA, N. J. <i>Colonia Plaza</i>	HOUSTON, TEX. <i>Montclair</i>	MUSKEGON, MICH. <i>Westgate</i>	VALDOSTA, GA. <i>Downtown</i>
CUYAHOGA FALLS, O. <i>Stow Kent</i>	HUNTINGTON, W. VA. <i>Eastern Heights</i>	NORFOLK, VA. <i>Janaf</i>	WATERLOO, N. Y. <i>Kingdom</i>
DANBURY, CONN. <i>Shopping Center</i>	IRWIN, PA. <i>Norwin</i>	NORRISTOWN, PA. <i>Park Ridge</i>	WATERTOWN, N. Y. <i>Seaway</i>
DAYTON, OHIO <i>North Plaza</i>	JACKSONVILLE, FLA. <i>North Gateway</i>	OAKDALE, N. Y. <i>Plaza</i>	WAYNE, N. J. <i>Wayne Hwy.</i>
DEDHAM, MASS. <i>Dedham Plaza</i>	JOHNSTOWN, PA. <i>Bel-Air</i>	OGDENSBURG, N. Y. <i>Seaway</i>	WICHITA, KAN. <i>Eastgate</i>
DOVER, DEL. <i>Rodney Village</i>	KENVIL, N. J. <i>Ledgewood Circle</i>	ONTARIO, CALIF. <i>Ontario Plaza</i>	YOUNGSTOWN, O. <i>Austintown</i>
			ZION, ILL. <i>Downtown</i>

1959 . . . AND TEN YEARS AGO

Some Interesting Developments

Expansion	1959	1949	Change in Ten Years
Number of shopping center stores	340	2	338
% of total	42.4%	0.4%	
Number downtown stores	461	478	(17)
% of total	57.6%	99.6%	
Total number of stores	<u>801</u>	<u>480</u>	<u>321</u>
Number downtown stores relocated or enlarged in 10 years			223
Investment in Zeller's Ltd.	\$ 7,340,000	none	\$ 7,340,000
Sales			
Shopping center stores	\$186,327,000	\$ 2,330,000	\$183,997,000
% of total	38.8%	1.0%	
Downtown stores	\$293,670,000	\$230,838,000	\$ 62,832,000
% of total	61.2%	99.0%	
Total Sales	<u>\$479,997,000</u>	<u>\$233,168,000</u>	<u>\$246,829,000</u>
Credit Sales	\$ 45,066,000	\$ 7,338,000	\$ 37,728,000
Earnings and Financial Items			
Net earnings	\$ 12,258,000	\$ 8,042,000	52.4%
Per common share	\$4.11	\$3.14	30.9%
Working capital at year end	\$ 82,907,000	\$ 39,729,000	\$ 43,178,000
Net fixed assets at year end	\$ 39,239,000	\$ 33,094,000	\$ 6,145,000
Total assets	\$174,680,000	\$ 93,576,000	\$ 81,104,000
Long-term debt	none	\$ 3,303,000	\$ (3,303,000)
Capital in the business	\$133,681,000	\$ 72,383,000	\$ 61,298,000
Book value per common share	\$41.40	\$24.12	71.6%
Dividends, Shares, Stockholders			
Common dividends paid	\$ 6,061,000	\$ 3,568,000	69.9%
Per common share	\$2.20	\$1.50	46.7%
Number common shares	2,843,993	2,378,708	465,285
Number common stockholders	11,634	5,652	5,982
Employees and Compensation			
Number employees at year end	32,000	19,100	12,900
Salaries, wages, and benefits	\$ 92,612,000	\$ 38,992,000	\$ 53,620,000

() denotes decreases

THE "NEW" W. T. GRANT COMPANY

As we enter the 1960's, it is timely that we review our Company's progress in the decade of the 1950's. Such a review reveals that, as a result of the expansion program embarked on ten years ago, we have created a NEW W. T. Grant Company:

NEW in coverage of the country

In 1949, the Company operated 480 stores, located chiefly in the eastern half of the United States. In 1959, Grants had grown to a truly national chain of 801 stores from coast to coast, an increase of 321 stores, or 67%.

During this period the Company also acquired a 51% ownership in Zeller's Ltd., an expanding Canadian chain operating 69 stores similar to Grant's.

NEW in our policy of locating stores in shopping centers

In 1949, of our 480 stores, 478 were downtown stores, and only two were in shopping centers. In 1959, of our 801 stores, 340 were in shopping centers. We not only adjusted to meet the changing location preferences of the shopping public, but went far ahead of our industry in following customers to the suburbs. Since 1955 we have opened each year from 60 to 80 new modern stores, nearly all in shopping center locations. We expect this rapid growth to continue.

NEW in the type of stores

The pictures on the cover illustrate the type of NEW Grant stores we are opening today. In the past ten years 80% of our stores have been either newly opened, relocated, enlarged or modernized. They are modern in architectural design, decor, lighting, air conditioning and fixtures.

NEW in the size of stores

From 1949 to 1959 the size of the average Grant store increased 55%, providing counter and display space for greatly expanded lines of merchandise and improved customer service.

NEW in providing the convenience of consumer credit

In September 1946, Grants pioneered in extending credit in stores of our type. Our annual credit sales climbed in the last ten years from \$7,338,000 to \$45,066,000, an increase of 514%.

NEW in the broadened lines of merchandise we carry

We now carry clothing lines for all the family, home furnishings, yard goods and sewing supplies, hardware and paints, sporting goods, phonographs and records, pet shop merchandise, stationery, jewelry, toiletries, candy, and a full line of notions. We also carry such lines as power lawn mowers, bicycles, and a variety of furniture and equipment for outdoor living.

Still other lines new to Grant stores are being added as fast as tests in pilot stores demonstrate their appeal to our customers. Also, with the rising consumer income level, we are constantly broadening the assortments of our long-established lines by the addition of merchandise of higher quality. So extensive is the range we now offer that Grant stores today are classified as "general merchandise stores".

GROWTH POTENTIAL

Because the Company's growth has been so steady, and because it has flowed so naturally from the carefully developed policies on which our expansion program is based, we believe the momentum developed in the 1950's will continue through the 1960's at an accelerated rate, and that today Grants is actually a NEW general merchandise chain with virtually unlimited potential for growth.

ZELLER'S LIMITED



SALES

Sales for 1959 reached an all-time high of \$53,341,000 which was \$3,511,000, or 7% above 1958.

Shopping center stores continued to produce a larger share of sales. In 1959, they accounted for 19.6% of the sales, compared to 17.9% in 1958.

In the decade just ended, Zeller's sales have increased from \$23,457,000 in 1949 to \$53,341,000 in 1959.

EARNINGS

Net earnings for the year were \$2,009,000 which, after preferred dividends, equalled \$2.40 per share, compared with \$1,897,000 or \$2.24 per share in 1958, on 750,000 shares of common stock outstanding in both years.

The 1959 net earnings represent a new all-time high, exceeding the previous high of \$1,929,000 in 1957.

TAXES

The provision for income taxes totalled \$1,830,000 in 1959, compared to \$1,475,000 in 1958.

DIVIDENDS AND RETAINED EARNINGS

During 1959, Zeller's Ltd. paid the regular dividends of \$2.25 per share on the 4½% preferred stock and regular dividends of \$1.20 per share on the common stock. In 1958, the same rates were paid.

After preferred dividends of \$212,000 and common stock dividends of \$900,000, the net earnings retained for use in the business, from 1959 operations, were \$897,000, compared to \$781,000 in 1958.

FINANCIAL POSITION

Zeller's Ltd. is in excellent financial position. Working capital increased \$5,533,000 during the year, totalling \$12,341,000 at the year end, compared to \$6,808,000 at the end of 1958. The improved position includes

the proceeds from the sale and leaseback of 9 owned properties, during the year, totalling \$5,150,000.

Merchandise inventories at the year end totalled \$5,779,000, or \$707,000 above a year ago. New and enlarged stores principally account for the increase.

Long-term debt at the year end was \$2,740,000, which consisted of the 6% Sinking Fund Debentures maturing November 1, 1977.

The net book value per share of common stock was \$19.85 at the year end, compared to \$18.12 at the end of the previous year.

CREDIT

Zeller's is making credit available to its customers in an increasing number of stores. At the year end, credit selling was in effect in 20 stores, and will be extended to approximately 35 more stores in 1960.

Installment receivables from customers totalled \$1,110,000 at the year end, compared to \$518,000 at the close of 1958.

We expect credit business to develop substantially as we extend it to all stores in the next few years.

STORE EXPANSION

During the year, Zeller's Ltd. continued its steady program of expansion. It opened 5 new stores, enlarged and modernized 2 operating stores, and modernized 6 operating stores. Two small stores were permanently closed.

At the year end, there were 69 stores in operation, including 20 in shopping centers.

The 1959 capital program expenditures, primarily for fixtures, totalled approximately \$1,265,000, compared to \$1,842,000 in 1958.

Steps have been taken to augment our real estate division so as to continue our steady and aggressive program of expansion. In 1960, we expect to open approximately 10 new stores and to enlarge and modernize up to 5 successful existing stores. The 1960 capital expenditures will total approximately \$1,800,000.

We believe the prospects for expansion across Canada are bright. We also believe that we will have another good year in 1960.

Note - The W. T. Grant Company owns 51% of the common stock of Zeller's Limited. This subsidiary is not consolidated in the financial statements of the W. T. Grant Company.

James G. Kendrick
President, Zeller's Limited

W. T. GRANT COMPANY

Statement of Operations

Year ended January 31,

	1960	1959
SALES	\$479,997,477	\$432,240,571
Cost of merchandise sold and operating expenses	447,992,005	405,699,354
	\$ 32,005,472	\$ 26,541,217
ADD:		
Interest earned	98,802	72,325
Other income	490,854	348,983
	\$ 589,656	\$ 421,308
	\$ 32,595,128	\$ 26,962,525
DEDUCT:		
Depreciation and amortization	5,915,020	5,672,178
Interest paid	1,055,401	955,215
Other deductions	191,767	169,879
Provision for federal taxes on income—Note D	13,175,000	10,315,000
	\$ 20,337,188	\$ 17,112,272
NET EARNINGS FOR THE YEAR	\$ 12,257,940	\$ 9,850,253
DEDUCT:		
Cash dividends:		
On 3¾ % Cumulative Preferred Stock:		
Four quarterly dividends of 93¾ ¢ each per share	562,506	562,506
On Common Stock:		
Four quarterly dividends of 50¢ each per share	—	4,990,809
Four quarterly dividends of 55¢ each per share	6,061,164	—
TOTAL DIVIDENDS	\$ 6,623,670	\$ 5,553,315
EARNINGS FOR YEAR RETAINED FOR USE IN THE BUSINESS	\$ 5,634,270	\$ 4,296,938
ADD:		
Earnings of prior years retained for use in the business	82,007,011	77,710,073
ACCUMULATED EARNINGS RETAINED FOR USE IN THE BUSINESS AT END OF YEAR—Note E	\$ 87,641,281	\$ 82,007,011

(See notes to financial statements.)

W. T. GRANT COMPANY

Assets

January 31,

	1960	1959
CURRENT ASSETS		
Cash	\$ 30,515,575	\$ 23,740,240
Accounts receivable:		
Customers' installment accounts not sold	2,333,286	1,112,324
Equity in customers' installment accounts (\$24,405,368 and \$21,825,925, respectively) sold	2,440,537	2,182,593
	<u>\$ 4,773,823</u>	<u>\$ 3,294,917</u>
Less allowances	2,203,822	1,952,612
	<u>\$ 2,570,001</u>	<u>\$ 1,342,305</u>
Other accounts receivable, claims, etc.	1,504,696	1,493,436
Total accounts receivable, net	<u>\$ 4,074,697</u>	<u>\$ 2,835,741</u>
Merchandise inventories (including merchandise in transit) —at the lower of cost or market determined principally by the retail inventory method	86,089,840	75,780,905
TOTAL CURRENT ASSETS	<u>\$120,680,112</u>	<u>\$102,356,886</u>
OTHER ASSETS		
Investment in Zeller's Ltd., at cost—Note A	7,339,983	7,339,983
Cash surrender value of life insurance	3,169,308	3,067,589
Sundry receivables and deposits	816,266	1,098,692
TOTAL OTHER ASSETS	<u>\$ 11,325,557</u>	<u>\$ 11,506,264</u>
COMMON STOCK OF W. T. GRANT COMPANY		
At cost, held for Deferred Contingent Compensation Plan (14,500 and 11,300 shares, respectively)—Note B	501,710	352,199
STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS—on the basis of cost		
Buildings	180,000	175,000
Furniture and fixtures	57,656,137	52,921,677
Improvements to leased properties	13,755,946	14,089,190
	<u>\$ 71,592,083</u>	<u>\$ 67,185,867</u>
Less allowances for depreciation and amortization	32,531,521	29,669,268
	<u>\$ 39,060,562</u>	<u>\$ 37,516,599</u>
Land	178,562	193,562
TOTAL STORE PROPERTIES, FIXTURES, AND IMPROVEMENTS	<u>\$ 39,239,124</u>	<u>\$ 37,710,161</u>
DEFERRED CHARGES		
Prepaid taxes, rents and insurance, supplies, etc.	2,933,025	2,598,224
	<u>\$174,679,528</u>	<u>\$154,523,734</u>

STATEMENT OF FINANCIAL POSITION

Liabilities, Reserves, and Capital

January 31,

	1960	1959
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 33,041,072	\$ 30,094,914
Federal taxes on income—estimated, less U. S. Government securities amounting to \$6,934,532 and \$1,988,095, respectively—Note C	4,731,572	8,225,414
TOTAL CURRENT LIABILITIES	\$ 37,772,644	\$ 38,320,328
 DEFERRED FEDERAL INCOME TAX—Note D	 62,300	 —
 RESERVES		
For uninsured risks	1,500,000	1,500,000
For repainting stores	1,151,336	1,116,319
For deferred contingent compensation—Note B	511,950	394,101
TOTAL RESERVES	\$ 3,163,286	\$ 3,010,420
 CAPITAL		
Capital Stock:		
Cumulative Preferred—\$100 par value—Note E:		
Authorized 250,000 shares		
Issued 150,000 shares of 3¾ % series	15,000,000	15,000,000
Common—\$5 par value—Notes B and F:		
Authorized 3,000,000 shares		
Issued 2,858,493 and 2,514,823 shares, respectively . .	14,292,465	12,574,115
Capital paid-in in excess of par value of shares issued . .	16,414,568	3,291,735
Amounts paid by officers and employees under purchase contracts for 120,820 and 125,745 shares, respectively, of unissued Common Stock	332,984	320,125
TOTAL CAPITAL	\$ 31,040,017	\$ 16,185,975
Earnings retained for use in the business—Note E	87,641,281	82,007,011
TOTAL CAPITAL	\$133,681,298	\$113,192,986
	\$174,679,528	\$154,523,734

(See notes to financial statements.)

Notes to Financial Statements . . .

January 31, 1960

Note A - At January 31, 1960, the Company's equity in the net assets of Zeller's Limited, a 51% owned unconsolidated subsidiary, exceeded the cost of its investment in 382,500 shares of common stock of the subsidiary by approximately \$635,000. The Company's equity in Zeller's net earnings applicable to common stock (before dividends thereon for the year ended January 31, 1960) amounted to approximately \$962,000. During the year, the Company received dividends amounting to \$474,700 from Zeller's Limited.

Note B - The amount shown for the reserve for deferred contingent compensation at January 31, 1960 represents (a) to the extent that allotments are contingently distributable in Common Stock of the Company, an amount equivalent to the cost to the Company of 14,500 shares of its Common Stock held for this purpose, plus provision for the purchase of approximately 200 additional shares; and (b) the total of small balances remaining in participants' contingent cash allotments. For the year ended January 31, 1960, the amount charged to earnings for this plan was \$125,000.

Note C - In accordance with the practice followed since 1946, gross profits on installment sales are reflected in the Company's financial statements when such sales are made, whereas for federal income tax purposes, such gross profits are reported as income when collections are received.

Note D - As permitted by the Internal Revenue Code, the Company has adopted accelerated depreciation methods for income tax purposes, but has continued to use straight-line depreciation for financial statements. Provision has been made for deferred federal taxes on income to provide for the estimated additional future taxes which

may become payable when depreciation based on accelerated methods will be less than that based on the straight-line method.

Note E - The 3¾% Cumulative Preferred Stock is redeemable at the Company's option in whole or in part at \$100 per share plus accrued dividends to date of redemption. At January 31, 1960, earnings retained for use in the business were no longer subject to dividend or other restrictions.

Note F - During April, 1959, the Company sold 320,000 shares of its Common Stock to the public for net proceeds to the Company of \$14,041,770. Of this amount, \$1,600,000 was credited to the Capital Stock account, and the balance to Capital Paid-in in excess of par value of shares issued. At January 31, 1960, 136,550 shares of the Company's unissued Common Stock were reserved under the Employees' Stock Purchase Plan. Contracts for the sales of such shares, on a deferred payment basis, are made at approximate market prices at dates of contracts. Shares are issued after completion of payments.

Note G - At January 31, 1960, the Company was lessee of real property under 768 leases expiring subsequent to January 31, 1963 at aggregate minimum annual rentals of approximately \$17,741,000 (exclusive of taxes and other expenses payable under terms of certain of the leases). This amount includes approximately \$11,710,000 for minimum annual rentals under 491 leases which were on a percentage of sales basis with specified minimum annual rentals, but does not include any amount for 22 leases which were on a percentage of sales basis without any specified minimum annual rentals.

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
W. T. GRANT COMPANY
NEW YORK, N. Y.

We have examined the financial statements of W. T. Grant Company for the year ended January 31, 1960. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and operations present fairly the financial position of W. T. Grant Company at January 31, 1960, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.
March 21, 1960

ERNST & ERNST

1907 — Historical Record — 1959

(Amounts in 000's)

(Amounts in 000's)

Year	No. of Stores	Pre-Tax Earnings		Net Earnings		Dividends		Working Capital		Fixed Assets		Long Term Debt	Net Worth			
		Total	Per Sales Dollar	Total	Per Sales Dollar	Total	% of Net	Per Share	Total	% Sales	Total		% Earned	Total	Year	
1907	1	\$ 10	9.8¢	\$ 10	9.8¢	\$.05	\$ 8	81.7	\$.04	\$ 16	16.5	\$ 3	3.0	\$ 19	52.6	1907
1912	12	26	1.9	26	1.9	.01	32	121.9	.01	179	13.2	132	9.7	315	8.3	1912
1917	30	154	3.4	110	2.4	.06	44	39.5	.02	430	9.5	301	6.7	759	14.5	1917
1922	50	708	4.6	611	4.0	.29	173	28.2	.04	1,803	11.7	1,403	9.1	3,261	18.7	1922
1927	157	2,754	6.3	2,386	5.5	1.12	569	23.8	.22	5,200	11.9	6,167	14.1	11,416	20.9	1927
1932	446	1,849	2.5	1,612	2.2	.67	1,195	74.2	.50	9,704	13.3	16,101	22.0	25,155	6.4	1932
1937	480	4,253	4.3	3,402	3.4	1.39	2,353	69.2	.95	18,580	18.8	14,876	15.0	34,359	9.9	1937
1942	493	9,684	6.3	3,762	2.4	1.43	2,014	53.5	.70	22,449	14.6	19,052	12.4	41,046	9.2	1942
1947	483	13,862	6.1	8,679	3.8	3.41	4,131	47.6	1.50	42,359	18.5	23,128	10.1	63,462	13.7	1947
1948	482	13,071	5.6	7,951	3.4	3.11	2,942	37.0	1.00	42,988	18.4	27,541	11.8	68,472	11.6	1948
1949	480	13,292	5.7	8,042	3.5	3.14	4,131	51.4	1.50	39,729	17.0	33,094	14.2	72,383	11.1	1949
1950	477	15,938	6.4	8,103	3.2	3.16	4,135	51.0	1.50	41,712	16.6	32,966	13.2	77,292	10.5	1950
1951	482	19,237	7.2	7,517	2.8	2.90	4,150	55.2	1.50	41,562	15.5	35,919	13.4	80,983	9.3	1951
1952	493	18,895	6.7	7,570	2.7	2.91	4,165	55.0	1.50	43,077	15.2	35,203	12.4	84,744	8.9	1952
1953	502	18,920	6.3	8,045	2.7	3.09	4,188	52.1	1.50	41,956	14.0	38,189	12.7	89,056	9.0	1953
1954	520	18,585	5.9	8,755	2.8	3.36	4,211	48.1	1.50	46,553	14.7	38,245	12.1	94,118	9.3	1954
1955	574	20,395	5.8	9,710	2.8	3.72	4,971	51.2	1.80	57,125	16.2	33,760	9.6	99,480	9.8	1955
1956	632	18,493	4.9	8,938	2.3	3.38	5,496	61.5	2.00	57,808	15.2	36,795	9.7	103,565	8.6	1956
1957	691	18,259	4.5	9,718	2.4	3.68	5,527	56.9	2.00	62,273	15.3	37,641	9.3	108,305	9.0	1957
1958	739	20,165	4.7	9,850	2.3	3.71	5,553	56.4	2.00	64,037	14.8	37,710	8.7	113,193	8.7	1958
1959	801	25,433	5.3	12,258	2.6	4.11	6,624	54.0	2.20	82,907	17.3	39,239	8.2	133,681	9.2	1959

Note — Net earnings and dividends per share are based on shares outstanding at year end adjusted for stock splits. Dividends exclude values of rights and stock dividends.

Comparative Statement of Operations

	1959	1958	1957	1956	1955
<i>(year which ends January 31 of subsequent year)</i>					
SALES	\$479,997,477	\$432,240,571	\$406,337,450	\$380,915,043	\$351,848,626
LESS:					
Cost of merchandise sold and operating expenses	447,992,005	405,699,354	381,966,558	357,224,005	326,764,354
	<u>32,005,472</u>	<u>26,541,217</u>	<u>24,370,892</u>	<u>23,691,038</u>	<u>25,084,272</u>
ADD:					
Interest earned	98,802	72,325	77,084	83,078	66,220
Other income	490,854	348,983	283,034	216,385	217,318
	<u>32,595,128</u>	<u>26,962,525</u>	<u>24,731,010</u>	<u>23,990,501</u>	<u>25,367,810</u>
DEDUCT:					
Depreciation and amortization	5,915,020	5,672,178	5,406,787	4,814,479	4,581,113
Interest paid	1,055,401	955,215	864,098	474,424	209,577
Other deductions	191,767	169,879	201,493	208,411	182,067
Provision for federal taxes on income	13,175,000	10,315,000	9,313,000	9,555,000	10,685,000
	<u>12,257,940</u>	<u>9,850,253</u>	<u>8,945,632</u>	<u>8,938,187</u>	<u>9,710,053</u>
Non-recurring items	—	—	771,942	—	—
NET EARNINGS FOR THE YEAR	<u>12,257,940</u>	<u>9,850,253</u>	<u>9,717,574</u>	<u>8,938,187</u>	<u>9,710,053</u>
DEDUCT:					
Preferred dividends	562,506	562,506	562,506	562,506	562,506
Common dividends	6,061,164	4,990,809	4,964,518	4,933,893	4,408,316
ADD:					
Miscellaneous adjustments	—	—	—	3,214,118	—
Earnings of prior years retained in the business	82,007,011	77,710,073	73,519,523	66,863,617	62,124,386
Accumulated earnings retained, at end of year	<u>\$ 87,641,281</u>	<u>\$ 82,007,011</u>	<u>\$ 77,710,073</u>	<u>\$ 73,519,523</u>	<u>\$ 66,863,617</u>

Comparative Statement of Financial Position

(at January 31 of subsequent year)

	1959	1958	1957	1956	1955
ASSETS:					
Cash	\$ 30,515,575	\$ 23,740,240	\$ 20,224,468	\$ 15,363,742	\$ 13,452,115
United States Government securities	—	—	—	—	118,580
Accounts receivable—customers installment accounts (net)	2,570,001	1,342,305	1,756,107	8,385,633	7,706,615
Accounts receivable—other	1,504,696	1,493,436	1,339,005	1,266,581	1,150,812
Merchandise inventories	86,089,840	75,780,905	69,762,345	61,725,684	60,819,730
TOTAL CURRENT ASSETS	<u>120,680,112</u>	<u>102,356,886</u>	<u>93,081,925</u>	<u>86,741,640</u>	<u>83,247,852</u>
Investment in Zeller's Limited, at cost	7,339,983	7,339,983	4,566,797	3,616,036	3,616,036
Cash surrender value of life insurance	3,169,308	3,067,589	2,961,279	2,869,063	2,779,356
Recoverable taxes	—	—	—	1,635,000	1,635,000
Miscellaneous investment, employees' accounts receivable, building costs recoverable from landlords, etc.	816,266	1,098,692	902,281	908,713	829,116
Common stock of W. T. Grant Company held for deferred contingent compensation plan, at cost	501,710	352,199	295,174	233,684	158,226
Land and buildings, depreciated	330,756	347,101	319,854	374,979	882,457
Furniture and fixtures, depreciated	33,006,397	31,044,142	30,400,992	28,994,855	25,033,807
Improvements to leased properties (net)	5,901,971	6,318,918	6,919,922	7,425,191	7,843,263
Deferred charges	2,933,025	2,598,224	2,524,387	2,491,750	2,190,246
TOTAL ASSETS	<u>\$174,679,528</u>	<u>\$154,523,734</u>	<u>\$141,972,611</u>	<u>\$135,290,911</u>	<u>\$128,215,359</u>
LIABILITIES, RESERVES, AND CAPITAL:					
Accounts payable and accrued expenses	\$ 33,041,072	\$ 30,094,914	\$ 26,850,664	\$ 23,959,603	\$ 23,020,193
Federal taxes on income—estimated (less U. S. Government securities)	4,731,572	8,225,414	3,957,987	4,973,877	3,102,943
TOTAL CURRENT LIABILITIES	<u>37,772,644</u>	<u>38,320,328</u>	<u>30,808,651</u>	<u>28,933,480</u>	<u>26,123,136</u>
Deferred federal income tax	62,300	—	—	—	—
Reserve for inventory reduction, less tax refunds, if retroactive LIFO is sustained	—	—	—	—	3,214,118
Reserve for uninsured risks	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Reserve for repainting stores	1,151,336	1,116,319	1,035,906	1,037,395	916,496
Reserve for deferred contingent compensation	511,950	394,101	322,904	255,249	195,815
CAPITAL:					
Preferred 3¾ % stock \$100 par value	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Common stock	31,040,017	16,185,975	15,595,077	15,045,264	14,402,177
Earnings retained for use in the business	87,641,281	82,007,011	77,710,073	73,519,523	66,863,617
TOTAL LIABILITIES, RESERVES, AND CAPITAL	<u>\$174,679,528</u>	<u>\$154,523,734</u>	<u>\$141,972,611</u>	<u>\$135,290,911</u>	<u>\$128,215,359</u>

SOURCE AND DISPOSITION OF FUNDS

(amounts in 000's)

	1959	1958	1957	1956	1955	TOTAL 5 Years
WHERE FUNDS CAME FROM						
SALES	\$479,997	\$432,240	\$406,337	\$380,915	\$351,849	\$2,051,338
LESS:						
Merchandise costs, supplies, outside services, etc.	329,959	299,423	280,420	265,258	244,979	1,420,039
Wages and salaries, including miscellaneous benefits	88,047	79,102	74,610	68,023	60,391	370,173
Retirement plan contributions	1,071	1,008	1,200	1,138	1,196	5,613
Social security taxes on payrolls	3,494	2,712	2,444	2,179	1,809	12,638
Rents to landlords less rentals on subleases	19,778	18,264	16,943	15,469	13,499	83,953
Federal, state and local taxes, excluding social security taxes	19,475	16,209	15,596	15,096	15,684	82,060
Depreciation and amortization	5,915	5,672	5,407	4,814	4,581	26,389
NET INCOME FROM OPERATIONS	\$ 12,258	\$ 9,850	\$ 9,717	\$ 8,938	\$ 9,710	\$ 50,473
Add charges against income which involve no cash outlay:						
Depreciation and amortization	5,915	5,672	5,407	4,814	4,581	26,389
Net increase in reserves	153	152	66	180	122	673
Deferred federal income tax	62	—	—	—	—	62
From sale of common stock to public	14,042	—	—	—	—	14,042
From sale of common stock to employees	812	591	550	643	622	3,218
From recovery of taxes, pertaining to LIFO	—	—	1,635	—	—	1,635
From sales of land and buildings	9	—	48	494	2,474	3,025
Recovery of building costs from landlords	—	—	—	—	1,710	1,710
From sale of improvements to leased properties	—	—	—	—	3,874	3,874
TOTAL FUNDS PROVIDED	\$ 33,251	\$ 16,265	\$ 17,423	\$ 15,069	\$ 23,093	\$ 105,101

HOW FUNDS WERE USED

For dividends to stockholders	\$ 6,624	\$ 5,553	\$ 5,527	\$ 5,496	\$ 4,971	\$ 28,171
For investment in land and building	—	35	—	—	—	35
For investment in furniture and fixtures	7,220	5,600	6,050	8,021	6,443	33,334
For investment in improvements to leased properties	233	107	251	322	—	913
For investment in Zeller's Limited	—	2,773	951	—	—	3,724
For purchase of common stock for deferred compensation plan	149	57	61	76	19	362
For increases in sundry accounts—net	154	377	118	471	1,089	2,209
Funds added to working capital	18,871	1,763	4,465	683	10,571	36,353
TOTAL FUNDS USED	\$ 33,251	\$ 16,265	\$ 17,423	\$ 15,069	\$ 23,093	\$ 105,101

MERCHANDISE LINES SOLD IN W. T. GRANT "FAMILY" STORES

For Women

Dresses
Coats, Suits
Skirts, Sweaters
Sportswear, Playwear
Beachwear
Millinery, Ribbons,
Veiling
Uniforms
Gloves
Handbags
Hosiery
Slips, Gowns
Foundation Garments
Maternity Wear
Shoes, Slippers
Jewelry, Watches
Rainwear, Umbrellas
Cosmetics, Toiletries
Luggage
Underwear
Party Supplies, Stationery
Yard Goods
Art Needlework
Hair Goods, Notions
Sewing Supplies

For Children

Infants' Furniture
Nursery Supplies
Layettes and Supplies
Shoes
Slippers
Hosiery
Sweaters
Headwear, Sleepwear
Robes
Coats, Snowsuits
Gloves, Mittens
Polo Shirts
Playwear, Sportswear
Rainwear
Girls' Dresses, Slips
Handbags
Boys' Suits and Jackets
Boys' Shirts and Pants
Underwear
Boys' Belts, Neckties
Dolls, Doll Clothes
Bicycles, Accessories
Books, Games,
Hobby Kits
Creative Toys,
Educational Toys

For Men

Dress Shirts
Sports Shirts
Sweaters
Slacks
Jackets
Coats
Headwear
Hosiery
Shoes
Slippers
Knit Underwear
Rainwear
Work Clothes
Neckties
Polo Shirts
Pajamas
Gloves
Rubber Footwear
Watches
Robes
Beachwear
Belts
Shaving Needs
Sporting Goods

For the Home

Bed Sheets, Pillow Cases, Pillows
Blankets, Comforters
Bedroom Ensembles
Curtains, Draperies, Slip Covers,
Cushions
Towels, Shower Curtains,
Bathroom Supplies
Dinnerware, Glassware, Cutlery
Table Linens, Oilcloth
Electric Appliances
Lamps, Shades
Room Size Rugs
Occasional Furniture
Summer Furniture,
Unfinished Furniture
Hardware, Tools
Paints, Brushes
Record Players, Records
Radios, Television Sets
Cameras and Supplies
Power Lawn Mowers
Garden Tools, Plants
Barbecue Grills
Wading Pools
Play Gyms
Cooking Utensils
Electric Supplies
Pets, Pet Supplies

More than 70 buying specialists bring to the American public the fruits of 53 years of Grant experience and success in merchandising for the nation's growing wants.

Grant buyers shop the markets of the world. They work closely with leading manufacturers to assure our customers of dependable quality, good styling and top value. A continuous and organized process of merchandise reviewing, checking and

laboratory testing further strengthens Grants policy of merchandising for maximum customer satisfaction.

Our values are particularly reflected in the many items bearing Grants own brand names. The Grant label usually signifies substantial savings on merchandise of a quality comparable to or superior to that found in well-known brands selling at higher prices. America's families SAVE at Grants.



W. T. GRANT COMPANY
1441 Broadway New York 18, N. Y.

